

PART II HOUSING AND COMMUNITY DEVELOPMENT GOALS AND STRATEGIES FOR THE DISTRICT OF COLUMBIA

The Department of Housing and Community Development established its long-term goals and strategies in the *District of Columbia Consolidated Plan for Fiscal Years 2001-2005*. DHCD also sets annual goals for housing production, job creation, and other products through two documents: the *Consolidated Plan Annual Plan for FY 2002* and the Director's Performance Contract with the Mayor.

A. The FY 2001-2005 Consolidated Plan

The Consolidated Plan contains six goals, with associated strategies, for the District.

1. Providing Affordable Housing

The District has seen a rapid escalation of home sales prices and rents in the past three years. This is having an impact on the affordability of homeownership: the District's homeownership rate of 40.8 percent is 10 percentage points lower than that of other major cities in the United States. The increase in rents and sales prices also has provided an incentive for owners of federally subsidized multifamily buildings to opt-out of continuation in the subsidy programs, and to convert their units to market-rate rentals or condominiums.

In response, the District's affordable housing strategies include:

- Encouraging the expansion of homeownership in the city. A key element of this strategy is to help low-income renters become homeowners through various assistance programs.
- Preserving the affordability of the District's rental housing stock, especially in the face of the expiration of federal subsidies in multifamily rental housing.
- Providing rehabilitation financing to keep single- and multifamily affordable housing viable for residency.

The D.C. Housing Finance Agency and the D.C. Housing Authority also support DHCD in achieving the District's homeownership and housing development goals.

2. Operating the Continuum of Care

The District supports the operation of the Continuum of Care for homeless individuals and families. The District has contracted with the Community Partnership for the Prevention of Homelessness to provide services to homeless individuals and families under the Emergency Shelter Grant Program. The District's overall strategy for assisting the homeless includes:

- Implementing a management information system and requiring standardized intake and assessment to be done for all adults and families.

- Increased collaboration between the Continuum of Care and the District's mainstream agencies dealing with health, mental health, employment, corrections, housing, welfare, and family services.
- Dedicating multi-year Continuum of Care funding to support housing-based models of service delivery that will (a) increase the likelihood of dedicated mainstream public sector investments and (b) leverage additional private sector grants and loans.
- Increasing the availability and quality of case management services in all programs, thus reducing lengths of stay and increasing numbers of persons who can be served.
- Creating programs, supportive services, and financing products that will engage more community- and faith-based organizations in the provision of smaller neighborhood-friendly emergency shelter, transitional housing, and permanent supporting housing.
- Reducing dependency on large shelters and "set apart" housing for homeless persons; increasing the integration of Continuum of Care programs with mainstream community-building efforts.
- Structuring a near-term transitional period in which existing emergency shelter services remain in operation as alternative capacity is being developed.
- Linking Continuum of Care housing investments - projected at \$20 million over five years, including the Commission (now Department) on Mental Health Service's "Home First" program - to the District's economic and neighborhood development.

The strategy also includes specific interventions for adults, for youth, and for families. For adults:

- Increasing prevention services to keep adults in their housing.
- Increasing outreach services to those persons who remain in the streets.
- Replacing surplus schools as an emergency resource.
- Converting all shelters to 24-hour operation.
- Improving services at the Federal City Shelter, integrating the site with other adult services.
- Increasing affordable housing and support services for mentally ill adults.
- Creating a medical bed 24-hour emergency shelter for women.

For youth:

- Expanding capacity to serve homeless youth.
- Creating the capacity to serve homeless teens with children.

For families:

- Increasing prevention services to keep families in their housing.
- Increasing the availability and variety of emergency shelter, including new programs that will offer short stays for families in immediate need and apartments for larger families.
- Developing more options for families seeking shelter that will allow all families to be offered tangible and appropriate assistance within 30 days of initial contact, thus creating the means to reduce and perhaps eliminate the waiting list for family shelter.
- “De-coupling” the provision of housing and case management services for families to (a) attract more community-based and faith-based family services agencies; (b) obtain high quality, market rate rental housing; and (c) limit stays to 120 days of intensive services and increase the numbers of families served annually.
- Eliminating the waiting list and provide families with appropriate and immediate responses to emergency needs.

3. Expand Access to Housing Choice

Lower-income and minority households face barriers to housing choice. These barriers include discrimination in loan approval and rental access, but they also include problems such as poor credit histories and personal financial management practices that make qualifying for a loan difficult, and a lack of knowledge regarding how to become a homeowner.

The District proposed three activities to help affected households overcome these barriers. They include:

1. Provision of financial support to community-based organizations so they can provide comprehensive housing counseling services to lower-income households.
2. Provision of technical assistance to first-time homebuyers, to tenants seeking to cooperatively purchase and renovate apartments, to existing homeowners to rehabilitate their homes, and to homesteaders to purchase and rehabilitate their homes.
3. Support for neighborhood improvement efforts in areas of opportunity to achieve an overall visible impact on neighborhood conditions and livability.

The Consolidated Plan also calls for the expansion of single-room occupancy (SRO) housing, to increase the supply of affordable housing units, and the creation of better-paying jobs, which will increase job holders’ ability to pay rent in the current market.

4. Reduction of Lead-Based Paint Hazards

The Consolidated Plan describes the District’s efforts to implement the U.S. Department of Housing and Urban Development lead-safe housing regulations. The D.C. Department of Health undertakes lead hazard inspection in the city’s housing units. Key actions for DHCD in

carrying out this strategy is to ensure that lead-safe work practice requirements for contractors are used in renovation, remodeling, painting demolition and other activities that disturb painted surfaces.

5. Implementation of an Anti-Poverty Strategy

The problem of poverty pervades the District and undermines many of the solutions that District agencies implement to relieve poor housing conditions, homelessness, unemployment, and other social concerns. Efforts that promote self-sufficiency and economic independence help lower-income families in a myriad of ways: most notably, from DHCD's perspective, they enable those families to earn more so they can afford more and better housing.

The D.C. Department of Human Services and the D.C. Department of Employment Services largely administer the District's anti-poverty strategy. The D.C. Housing Authority also plays a role, in administering Family Self-Sufficiency programs for public housing residents. The District's Consolidated Plan does not assign specific goals to DHCD in the execution of its anti-poverty strategy, but DHCD plays a role nonetheless, by funding construction projects that create jobs and by providing financial support to community-based organizations that provide job-readiness training.

6. Fair Housing Promotion

The Consolidated Plan for FY 2001-2005 does not set long-term goals for fair housing promotion. It notes that during FY 2000, DHCD entered into an agreement with the Fair Housing Council (FHC) of Greater Washington, Inc. to provide certain services to the District in analyzing and reducing impediments to fair housing. FHC's Analysis of Impediments (AI) was included in the Fiscal Year 2003 Consolidated Plan Action Plan, available from DHCD. A new AI will be prepared in 2004.

Informally, DHCD has as its goals to promote fair housing through education and outreach with the underserved populations and linguistically-isolated populations (i.e., Latino and Asian, disabled and elderly); to inform and educate DHCD's program and project subrecipients on their fair housing and equal opportunity responsibilities.

B. Short-Term Goals: the Consolidated Plan FY 2002 Action Plan and the Director's Performance Contract

The District's FY 2002 Action Plan for its Consolidated Plan established specific goals for the Department to achieve with its FY 2002 CDBG, HOME, ESG and HOPWA allocations.

The goals included considering 14 projects for a total of \$15.4 million in funding (see page 13), and also included proposed performance measures for the Department's FY 2002 CDBG, HOME and ESG funding. Moreover, each District Government agency is required to set annual performance goals under the system of performance contracts that each agency director has signed with the Mayor. Executive Staff in the Office of the Mayor determined DHCD's goals with DHCD's Director based upon budget projections and Administration priorities.

Thus, there are two sets of FY 2002 performance goals that DHCD follows - one for the Consolidated Plan Action Plan and one for the Mayor. For ease of comparison, they are arrayed in Table 2 below according to the program area under which they fall.

Table 2: Proposed FY 2002 Accomplishments

Goal/Action	Federal Funds Source: Consolidated Plan FY 2002 Action Plan	All Funds Source: Director's Performance Contract
1. Homebuyer Assistance and Housing Recycling and Preservation		
Home Purchase Assistance Program (HPAP) loans to first-time homeowners	153	536
Home Ownership Developers' Incentive Fund grants	27	N/A
Homestead Housing Preservation Program contracts	2	0 ⁴
Single-Family Residential Rehabilitation Program loans	63	55 ⁵
Neighborhood Development Assistance Program (NDAP) funded Community-Based organization Demonstration Program: Number of single-family homes rehabilitated in 2 demonstration neighborhoods	N/A	20
DC Housing Finance Agency homeowner loans supported through HOME funds	N/A	30
Tenant conversions of housing from rental to ownership. (# units assisted)	N/A	200
Housing Counseling Services to support tenants, housing conversions and home ownership loan programs. (# persons counseled)	N/A	6,000
2. Affordable Housing Production		
Construction Assistance Program-assisted projects	7	408 (units)
Multifamily Housing Rehabilitation Program	65	1,054
Affordable Housing Production Assistance Program - support actions completed	365	N/A
Housing Finance for the Elderly, Dependent and Disabled - assisted units	18	N/A
Community Housing Development Organization - assisted units	42	N/A
Sale of District-owned properties for redevelopment. (# transactions; LDA, ERA, & RFP)	N/A	3

⁴ Revised to zero in reflection of the HomeAgain initiative. The Homestead Housing Preservation Program made no loans in FY 2002. Instead, DHCD's Homestead portfolio was transferred to the Office of Deputy Mayor for Planning and Economic Development to support its "Home Again" initiative, under which abandoned homes are sold to developers for rehabilitation to benefit families at various income levels.

⁵ Revised to reflect program redesign efforts.

Goal/Action	Federal Funds Source: Consolidated Plan FY 2002 Action Plan	All Funds Source: Director's Performance Contract
3. Community Organization Support		
Neighborhood Development Assistance Program - organizations funded	11	N/A
Community Based Organizations Neighborhood Services Program - organizations funded	4	N/A
Neighborhood Initiatives Support Program - commercial square feet acquired	100,000	N/A
Special Grants Program - projects funded	5	N/A
Community Activities and Services Support Program - support actions completed	5	N/A
Neighborhood-supporting community and commercial facilities and activities (# funded)	N/A	4
Job creation and retention (# temporary and permanent jobs)	N/A	3,480
Job Training and Support through Neighborhood Development Assistance Program (NDAP)-funded community-based programs	N/A	275
Technical support for neighborhood businesses through Neighborhood Development Assistance Program (NDAP)-funded, community-based programs	N/A	375
4. Homeless Support and Prevention		
ESG-funded Emergency Assistance Grants - persons assisted	450	N/A
ESG-funded Special Homeless Outreach & Hypothermia Hotline - persons assisted	700	700
ESG-funded Rehabilitation/Renovation - shelter beds assisted	60	25-40
Eviction-Prevention Grants provided	N/A	90
5. Economic and Commercial Development		
Economic Development Program - Section 108 loans paid	1	N/A
Urban Renewal and Community Development Property Management - properties managed	95	N/A
Community Development Planning Contracts and Studies	2	N/A

Proposed projects included:

CDBG Projects

Syphax School (Homeownership)	\$ 822,000
Fort Dupont WIN (Homeownership)	250,000
Deanwood Library.....	3,300,000
Arthur Fleming Center	180,000
ARC Community Facility	2,500,000
Food and Friends Community Facility	1,500,000
Lead Based Paint Abatement Program	500,000
Training/Education OIC Youth Training Program	200,000
Renovation and Expansion of Recreation Centers	1,000,000
Policing/Education Initiative	1,500,000
Minnesota/Benning Commercial Revitalization	300,000
H Street Corridor Commercial Revitalization	<u>200,000</u>
TOTAL	\$12,252,000

HOME Projects

1611 Park Road.....	\$ 700,000
Safe Haven	<u>2,500,000</u>
TOTAL	\$3,200,000

Last, DHCD proposed additional measures in the Director's Performance Contract with the Mayor. Central to the CAPER is the following measure: Increase leverage ratio of private to public dollars in Development Finance Division projects to 5:1.

This page intentionally blank